

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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OY-L SKIN CARE, LLC, :
 :
Plaintiff and Counterclaim-Defendant, : Case No. 1:23-cv-00064-PAE
 :
v. : **ANSWER AND**
 : **COUNTERCLAIMS**
PEACH AND LILY, INC., :
 :
Defendant and Counterclaim-Plaintiff. :
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Defendant Peach and Lily, Inc. (“Peach & Lily” or “Defendant”), by and through its attorneys, McDermott Will & Emery LLP, states as follows for its answer to the Complaint of Plaintiff OY-L Skin Care, LLC (“OY-L” or “Plaintiff”):

NATURE OF THE CLAIMS

1. Paragraph 1 contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily admits that OY-L asserts claims for trademark infringement and unfair competition under federal law; deceptive trade practices and trademark infringement causing damage to business reputation under New York statutory law; and trademark infringement and unfair competition under New York common law. Peach & Lily denies that these claims have merit. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 1 of the Complaint.

2. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 2 of the Complaint and therefore denies the same.

3. Peach & Lily admits that OY-L seeks injunctive relief, damages, and other relief, but denies that it engaged in any unlawful conduct or that OY-L is entitled to any relief. Except

as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 3 of the Complaint.

THE PARTIES, JURISDICTION, AND VENUE

4. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 4 of the Complaint and therefore denies the same.

5. Peach & Lily admits the allegations of Paragraph 5 of the Complaint.

6. Peach & Lily admits the allegations of Paragraph 6 of the Complaint.

7. Paragraph 7 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 7 of the Complaint.

8. Paragraph 8 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 8 of the Complaint.

9. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 9 of the Complaint and therefore denies the same.

10. Paragraph 10 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily admits that it has a place of business located in New York. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 10 of the Complaint.

11. Paragraph 11 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily admits that it has transacted business in New York and used real property located within New York. Except as

expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 11 of the Complaint.

12. Paragraph 12 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies that the allegations in Paragraph 12 of the Complaint.

13. Paragraph 13 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily admits that it has advertised its goods in New York State and has transacted business by marketing its goods in New York State. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 13 of the Complaint.

14. Paragraph 14 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily admits that it maintains an office in this judicial district and has conducted activities in this forum. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 14 of the Complaint.

15. Peach & Lily denies the allegations of Paragraph 15 of the Complaint.

16. Paragraph 16 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily admits that it resides in this district and may be found in this district. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 16 of the Complaint.

17. Paragraph 17 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 17 of the Complaint.

FACTUAL BACKGROUND

18. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 18 of the Complaint and therefore denies the same.

19. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 19 of the Complaint and therefore denies the same.

20. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 20 of the Complaint and therefore denies the same.

21. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 21 of the Complaint and therefore denies the same.

22. Peach & Lily denies that the descriptive phrase “beauty without secrets” is distinctive. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 22 of the Complaint and therefore denies the same.

23. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 23 of the Complaint, but avers that U.S. Trademark Registration No. 5,429,160 speaks for itself.

24. Paragraph 24 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily admits that Exhibit A is a document that, on its face, appears to be a registration certificate with respect to U.S. Trademark Registration No. 5,429,160.

25. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 25 of the Complaint and therefore denies the same.

26. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 26 of the Complaint and therefore denies the same.

27. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 27 of the Complaint and therefore denies the same.

28. Peach & Lily denies the allegations in Paragraph 28 of the Complaint.

29. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 29 of the Complaint and therefore denies the same.

30. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 30 of the Complaint and therefore denies the same.

31. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 31 of the Complaint and therefore denies the same.

32. Peach & Lily denies that the descriptive phrase “beauty without secrets” is distinctive. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 32 of the Complaint and therefore denies the same.

33. Peach & Lily denies that the descriptive phrase “beauty without secrets” is recognized as a symbol of OY-L, its products, or its goodwill. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 33 of the Complaint and therefore denies the same.

34. Peach & Lily denies the allegations in Paragraph 34 of the Complaint.

35. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 35 of the Complaint and therefore denies the same.

36. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 36 of the Complaint and therefore denies the same.

37. Peach & Lily admits that it is a New York-based company offering, *inter alia*, skin care and cosmetics products. In addition, Peach & Lily avers that Sandbridge Capital LLC is a minority shareholder. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 37 of the Complaint.

38. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 38 of the Complaint and therefore denies the same.

39. Peach & Lily admits that a press release was published on December 13, 2022 (the “December 13 Press Release”) announcing an advertising campaign that made use of the descriptive phrase “beauty without secrets”, and admits that the document attached as Exhibit B appears to be, on its face, a copy of the December 13 Press Release. In addition, Peach & Lily avers that the December 13 Press Release speaks for itself. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 39 of the Complaint.

40. Peach & Lily admits that the December 13 Press Release announced an advertising campaign that made use of the descriptive phrase “beauty without secrets”, and avers that the December 13 Press Release speaks for itself. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 40 of the Complaint.

41. Peach & Lily denies the allegations in Paragraph 41, and avers that the December 13 Press Release speaks for itself.

42. Peach & Lily admits that media outlets announced details regarding its advertising campaign; admits that the document attached as Exhibit C appears to be, on its face, an article from Beauty Independent; and avers that the document attached as Exhibit C speaks for itself. Peach & Lily lacks knowledge or information sufficient to form a belief about the

truth of the remaining allegations in Paragraph 42 of the Complaint and therefore denies the same.

43. Peach & Lily admits that its website had for a short time used the descriptive phrase “beauty without secrets”, and avers that its website speaks for itself. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 43 of the Complaint.

44. Peach & Lily admits that it had used the descriptive phrase “beauty without secrets” for a short time in advertising on the New York City subway system, and admits that the Paragraph 44 of the Complaint contains an image that appears to depict, on its face, an advertisement from Peach & Lily. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the source of the photograph in Paragraph 44 of the Complaint. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 44 of the Complaint.

45. Peach & Lily admits that it has used the descriptive phrase “beauty without secrets”. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 45 of the Complaint.

46. Peach & Lily denies the allegations in Paragraph 46 of the Complaint.

47. Peach & Lily denies the allegations in Paragraph 47 of the Complaint.

48. Peach & Lily denies the allegations in Paragraph 48 of the Complaint.

49. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 49 of the Complaint and therefore denies the same.

50. Peach & Lily denies the allegations in Paragraph 50 of the Complaint.

51. Peach & Lily denies the allegations in Paragraph 51 of the Complaint.

52. Peach & Lily denies the allegations in Paragraph 52 of the Complaint.

53. Peach & Lily admits that OY-L has not consented to Defendant's use of the descriptive "beauty without secrets" phrase, but denies that such consent was required. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 53 of the Complaint.

54. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 54 of the Complaint and therefore denies the same.

55. Peach & Lily admits that it has received letters from OY-L's counsel, and that Peach & Lily's counsel has exchanged emails with OY-L's counsel. Peach & Lily avers that the correspondence speaks for itself. In addition, Peach & Lily admits that the documents attached as Exhibit D appear, on their face, to comprise letters and emails between counsel for the parties in this action. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 55 of the Complaint.

56. Peach & Lily admits that the first letter it received from OY-L's counsel was dated December 20, 2022. In addition, Peach & Lily avers that the correspondence between the parties' counsel speaks for itself. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 56 of the Complaint.

57. Peach & Lily admits that, while not required to do so, its counsel has expressed Peach & Lily's willingness to cease phase out use of the descriptive phrase "beauty without secrets," in an effort to sette OY-L's demands and avoid litigation. In addition, Peach & Lily avers that the correspondence between the parties' counsel speaks for itself. Except as expressly admitted, Peach & Lily denies the remaining allegations in Paragraph 57 of the Complaint.

58. Peach & Lily lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 58 of the Complaint and therefore denies the same.

59. Peach & Lily denies the allegations in Paragraph 59 of the Complaint.

60. Peach & Lily denies the allegations in Paragraph 60 of the Complaint. In addition, Peach & Lily avers that the correspondence between the parties' counsel speaks for itself.

61. Peach & Lily denies the allegations in Paragraph 61 of the Complaint. In addition, Peach & Lily avers that the correspondence between the parties' counsel speaks for itself.

62. Peach & Lily denies the allegations in Paragraph 62 of the Complaint. In addition, Peach & Lily avers that the correspondence between the parties' counsel speaks for itself.

63. Peach & Lily denies the allegations in Paragraph 63 of the Complaint.

64. Peach & Lily denies the allegations of Paragraph 64 of the Complaint.

65. Peach & Lily denies the allegations of Paragraph 65 of the Complaint.

66. Peach & Lily denies the allegations in Paragraph 66 of the Complaint.

67. Peach & Lily denies the allegations in Paragraph 67 of the Complaint.

COUNT I
Federal Trademark Infringement
(15 U.S.C. § 1114)

68. Peach & Lily incorporates its responses to the allegations in Paragraphs 1 through 67 of the Complaint as if fully stated herein.

69. Paragraph 69 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 69 of the Complaint.

70. Peach & Lily denies the allegations in Paragraph 70 of the Complaint.

71. Peach & Lily denies the allegations in Paragraph 71 of the Complaint.

72. Peach & Lily denies the allegations in Paragraph 72 of the Complaint.

73. Peach & Lily denies the allegations in Paragraph 73 of the Complaint.

74. Peach & Lily denies the allegations in Paragraph 74 of the Complaint.

75. Peach & Lily denies the allegations in Paragraph 75 of the Complaint.

76. Peach & Lily denies the allegations in Paragraph 76 of the Complaint.

77. Paragraph 77 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 77 of the Complaint.

COUNT II
Federal Unfair Competition
(15 U.S.C. § 1125(a))

78. Peach & Lily incorporates its responses to the allegations in Paragraphs 1 through 77 of the Complaint as if fully stated herein.

79. Paragraph 79 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 79 of the Complaint.

80. Peach & Lily denies the allegations in Paragraph 80 of the Complaint.

81. Peach & Lily denies the allegations in Paragraph 81 of the Complaint.

82. Peach & Lily denies the allegations in Paragraph 82 of the Complaint.

83. Peach & Lily denies the allegations in Paragraph 83 of the Complaint.

84. Paragraph 84 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 84 of the Complaint.

COUNT III

**New York Consumer Protection From Deceptive Trade Practices Act
(New York General Business Law § 349, *et seq.*)**

85. Peach & Lily incorporates its responses to the allegations in Paragraphs 1 through 84 of the Complaint as if fully stated herein.

86. Paragraph 86 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 86 of the Complaint.

87. Peach & Lily denies the allegations in Paragraph 87 of the Complaint.

88. Peach & Lily denies the allegations in Paragraph 88 of the Complaint.

89. Peach & Lily denies the allegations in Paragraph 89 of the Complaint.

90. Peach & Lily denies the allegations in Paragraph 90 of the Complaint.

91. Peach & Lily denies the allegations in Paragraph 91 of the Complaint.

92. Peach & Lily denies the allegations in Paragraph 92 of the Complaint.

93. Paragraph 93 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 93 of the Complaint.

COUNT IV

**Trademark Infringement Causing Injury To Business Reputation
(New York General Business Law § 360 , *et seq.*)**

94. Peach & Lily incorporates its responses to the allegations in Paragraphs 1 through 93 of the Complaint as if fully stated herein.

95. Paragraph 95 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 95 of the Complaint.

96. Peach & Lily denies the allegations in Paragraph 96 of the Complaint.

97. Peach & Lily denies the allegations in Paragraph 97 of the Complaint.

98. Peach & Lily denies the allegations in Paragraph 98 of the Complaint.

99. Peach & Lily denies the allegations in Paragraph 99 of the Complaint.

COUNT V

New York Common Law Trademark Infringement

100. Peach & Lily incorporates its responses to the allegations in Paragraphs 1 through 99 of the Complaint as if fully stated herein.

101. Paragraph 101 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 101 of the Complaint.

102. Paragraph 102 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 102 of the Complaint.

103. Paragraph 103 of the Complaint contains legal conclusions and allegations to which no answer is required.

104. Peach & Lily denies the allegations in Paragraph 104 of the Complaint.

105. Peach & Lily denies the allegations in Paragraph 105 of the Complaint.

106. Peach & Lily denies the allegations in Paragraph 106 of the Complaint.

107. Peach & Lily denies the allegations in Paragraph 107 of the Complaint.

COUNT VI

New York Common Law Unfair Competition

108. Peach & Lily incorporates its responses to the allegations in Paragraphs 1 through 107 of the Complaint as if fully stated herein.

109. Paragraph 109 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 109 of the Complaint.

110. Paragraph 110 of the Complaint contains legal conclusions and allegations to which no answer is required.

111. Peach & Lily denies the allegations in Paragraph 111 of the Complaint.

112. Peach & Lily denies the allegations in Paragraph 112 of the Complaint.

113. Peach & Lily denies the allegations in Paragraph 113 of the Complaint.

114. Peach & Lily denies the allegations in Paragraph 114 of the Complaint.

115. Peach & Lily denies the allegations in Paragraph 115 of the Complaint.

116. Paragraph 116 of the Complaint contains legal conclusions and allegations to which no answer is required. To the extent an answer is required, Peach & Lily denies the allegations in Paragraph 116 of the Complaint.

GENERAL DENIAL

Unless indicated otherwise above, Peach & Lily denies each and every allegation made by OY-L. To the extent any response is required to the preamble of OY-L's Complaint or the headings, such allegations are denied.

PRAYER FOR RELIEF

Peach & Lily denies that OY-L is entitled to any relief, including the relief requests in paragraphs (1) – (13) of the Prayer for Relief section of the Complaint.

AFFIRMATIVE DEFENSES

Peach & Lily asserts the following affirmative defenses without undertaking or otherwise shifting any applicable burdens of proof. Peach & Lily incorporates the facts and allegations in its Answer and Counterclaims into each of its defenses. Peach & Lily reserves the right to assert

additional defenses and/or amend these defenses, as warranted by facts learned through investigation and discovery.

FIRST AFFIRMATIVE DEFENSE
(No Likelihood of Confusion)

There is no likelihood of confusion.

SECOND AFFIRMATIVE DEFENSE
(No Harm)

OY-L has sustained no harm, irreparable or otherwise, due to Peach & Lily's actions.

THIRD AFFIRMATIVE DEFENSE
(Failure to Function as a Trademark)

As used by OY-L, the phrase "beauty without secrets" fails to function as a trademark.

FOURTH AFFIRMATIVE DEFENSE
(Mere Descriptiveness)

As used by OY-L, the phrase "beauty without secrets" is merely descriptive and has not acquired distinctiveness.

FIFTH AFFIRMATIVE DEFENSE
(Genericness)

As used by OY-L, the phrase "beauty without secrets" is generic, including but not limited to the reason that OY-L has failed to police or enforce its alleged trademark against use by various third-parties.

FIFTH AFFIRMATIVE DEFENSE
(Invalidity)

OY-L may not rely on its federal trademark registration because its registration is invalid, as the phrase "beauty without secrets" fails to function as a trademark, is merely descriptive and has not acquired distinctiveness, and/or is generic.

SIXTH AFFIRMATIVE DEFENSE
(Statutory Fair Use)

OY-L's claims are barred by the statutory fair use defense in Section 33(b)(4) of the Lanham Act, 15 U.S.C. § 1115(b)(4), because Peach & Lily only uses the phrase "beauty without secrets" "otherwise than as a mark" and in a manner "which is descriptive of and used fairly and in good faith only to describe the goods or services of" Peach & Lily.

SEVENTH AFFIRMATIVE DEFENSE
(Fair Use)

OY-L's claims are barred by the doctrine of fair use and the First Amendment to the United States Constitution.

EIGHTH AFFIRMATIVE DEFENSE
(Equitable Defenses)

OY-L's claims are barred, in whole or in part, by the equitable doctrines of acquiescence or estoppel.

NINTH AFFIRMATIVE DEFENSE
(Unclean Hands)

OY-L's claims are barred by the doctrine of unclean hands.

COUNTERCLAIMS

Defendant and Counterclaimant Plaintiff Peach and Lily, Inc. ("Peach & Lily" or "Defendant"), by its undersigned counsel, for its counterclaim against Plaintiff and Counterclaim Defendant OY-L Skin Care, LLC ("OY-L" or "Plaintiff") alleges as follows:

JURISDICTION

1. This Court has subject matter jurisdiction over this action under 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338 because it involves substantial claims arising under the federal Lanham Act.

PARTIES

2. Peach & Lily is a Delaware corporation with a place of business at 80 W. 40th Street, 7th Floor, New York, NY 10018.

3. Upon information and belief, OY-L is an Ohio Limited Liability Company, with its principal business address at 51 S. Main Street, Hudson, OH 44236.

FACTUAL ALLEGATIONS

4. U.S. Registration No. 5,429,160 for BEAUTY WITHOUT SECRETS issued to OY-L for use in connection with the following goods in Class 3:

Skin care preparation, namely, body polish; Cosmetic creams for skin care; Fragranced skin care preparations, namely, skin cleansers and skin moisturizers; Non-medicated skin care creams and lotions; Non-medicated skin care preparations; Non-medicated skin care preparations, namely, creams, lotions, gels, toners, cleaners and peels.

5. Since at least as early as 2012, Peach & Lily has sold a transformative line of skincare products under its well-known PEACH & LILY® trademark.

6. In December 2022, Peach & Lily began use of the descriptive phrase “beauty without secrets” to identify the need for the lack of secret ingredients in beauty products.

7. On January 4, 2023, OY-L commenced this action.

FIRST CLAIM FOR RELIEF **(Cancellation of OY-L Registration Due to Failure to Function as a Trademark)**

8. Peach & Lily repeats and incorporates by reference the allegations contained in Paragraphs 1 through 7 of the Counterclaims as if fully restated herein.

9. Pursuant to 15 U.S.C. § 1127, a trademark must identify and distinguish a registrant’s goods from goods manufactured or sold by others, and must indicate the source of the goods.

10. The descriptive phrase “beauty without secrets” fails to function as a trademark because it does not serve as an indicator of the source of OY-L’s goods, nor does it identify or distinguish OY-L’s goods from those of others.

11. OY-L’s website illustrates that OY-L’s use of “beauty without secrets” is informational—namely, informing consumers that OY-L’s skincare products allegedly do not secretly include any undesirable components.

12. OY-L’s Frequently Asked Questions page on its website states that “Beauty Without Secrets is our pledge to never use any toxic or synthetic chemicals in our products”, and that “OY-L believes in our brand and is committed to our promise of beauty without secrets. Whenever possible we use sustainable packaging options.” A true and correct copy of the Frequently Asked Questions page on OY-L’s website is attached hereto as **Exhibit 1**.

13. The About page on OY-L’s website describes “beauty without secrets” as Registrant’s “mission” and “promise”, emphasizing that OY-L’s “beauty without secrets [*sic*] formulations” do not include various secret chemicals such as phthalates, parabens, formaldehyde, and preservatives. A true and correct copy of the About page on OY-L’s website is attached hereto as **Exhibit 2**.

14. OY-L’s Complaint further illustrates the informational and descriptive nature of OY-L’s use of “beauty without secrets”.

15. Paragraph 19 of OY-L’s Complaint alleges that other beauty products contain “toxic ingredients”, while Paragraph 20 of OY-L’s Complaint alleges that “providing ‘beauty without secrets’ is OY-L’s “stated mission”.

16. Paragraph 21 of OY-L’s Complaint alleges that “providing ‘beauty without secrets’” describes its core values and products,” alleging as follows (emphasis added):

OY-L keeps keen eye on its core values of women's empowerment, environmental sustainability, zero animal testing, and most importantly, providing healthy alternatives to mass market and luxury brand beauty products, namely, providing "beauty without secrets."

17. Third-party media regarding Registrant also illustrate that "beauty without secrets" is perceived as a merely informational and descriptive phrase.

18. Good Face Project published an article characterizing "beauty without secrets" as "OY-L's mission is to provide clean beauty without secrets", in contrast to the typical "secrecy surrounding what ingredients are in your skincare products." A true and correct copy of this article is attached hereto as **Exhibit 3**.

19. Cleveland Magazine published an article characterizing the phrase "beauty without secrets" as a reference to OY-L's alleged lack of a secret use of chemical substitutes in its beauty products. A true and correct copy of this article is attached hereto as **Exhibit 4**.

20. Upon information and belief, the phrase "beauty without secrets" is a common phrase used in the beauty industry to describe clean ingredients and packaging.

21. The online beauty product store Ingrendients uses the phrase "beauty without secrets" on its website when it lists its products' ingredients, along with their allegedly natural sources. A true and correct copy of this webpage is attached hereto as **Exhibit 5**.

22. Another online beauty product store, BLK MKT Brand, sells allegedly all-natural products in sustainable packaging, and describes their business model and promise as "inclusive beauty without secrets". A true and correct copy of this webpage is attached hereto as **Exhibit 6**.

23. Upon information and belief, the relevant public perceives "beauty without secrets" to be merely an informational and descriptive phrase used by OY-L, rather than a source indicator.

24. For the foregoing reasons, the phrase “beauty without secrets” as used by OY-L fails to function as a trademark and is, therefore, unregistrable.

25. By reason of the foregoing, Trademark Registration No. 5,429,160 should be cancelled pursuant to Lanham Act § 37 (15 U.S.C. § 1119).

SECOND CLAIM FOR RELIEF
(Cancellation of OY-L Registration Due to Mere Descriptiveness)

26. Peach & Lily repeats and incorporates by reference the allegations contained in Paragraphs 1 through 25 of the Counterclaims as if fully restated herein.

27. Pursuant to 15 U.S.C. §§ 1052(e)(1) and (f), a person’s purported trademark cannot be registered on the principal registry when it: (i) merely describes the goods with which it is used; and (ii) has not become distinctive of the person’s goods in commerce.

28. The phrase “beauty without secrets” merely describes ingredients, qualities, characteristics, and/or features of OY-L’s goods.

29. Specifically, the phrase “beauty without secrets” merely describes OY-L’s goods as allegedly not secretly including any undesired components such as toxic chemical ingredients or unsustainable packaging.

30. Upon information and belief, the phrase “beauty without secrets” has not acquired distinctiveness such that the relevant purchasing public has come to recognize it as identifying goods exclusively from or associated with OY-L.

31. Upon information and belief, OY-L cannot demonstrate that its use of “beauty without secrets” has been substantially exclusive so as to demonstrate acquired distinctiveness, in light of the widespread and common descriptive use of the phrase to describe beauty products.

32. For the foregoing reasons, the phrase “beauty without secrets” as used by OY-L does not serve a source-identifying function and is ineligible for registration.

33. By reason of the foregoing, Trademark Registration No. 5,429,160 should be cancelled pursuant to Lanham Act § 37 (15 U.S.C. § 1119).

THIRD CLAIM FOR RELIEF
(Cancellation of OY-L Registration Due to Genericness)

34. Peach & Lily repeats and incorporates by reference the allegations contained in Paragraphs 1 through 33 of the Counterclaims as if fully restated herein.

35. Pursuant to 15 U.S.C. § 1127, a trademark must identify and distinguish a registrant's goods from goods manufactured or sold by others, and must indicate the source of the goods.

36. The genus of goods covered by Registration No. 5,429,160 is defined by the beauty products identified in the registration:

Skin care preparation, namely, body polish; Cosmetic creams for skin care; Franganced skin care preparations, namely, skin cleansers and skin moisturizers; Non-medicated skin care creams and lotions; Non-medicated skin care preparations; Non-medicated skin care preparations, namely, creams, lotions, gels, toners, cleaners and peels.

37. A phrase is generic if the relevant public understands the phrase to primarily refer to a part, sub-group, or type of a genus of goods, and the phrase is widely-used in that manner.

38. The phrase "beauty without secrets" is widely used to identify or describe beauty products that allegedly do not secretly include any undesired components such as toxic chemical ingredients or unsustainable packaging.

39. The relevant public understands "beauty without secrets" to refer to beauty products that do not secretly include any negative components such as toxic chemical ingredients or unsustainable packaging.

40. Beauty products that do not secretly include any negative components are a part, sub-group, or type of the genus of beauty products covered by Registration No. 5,429,160.

41. On information and belief, OY-L has not policed or enforced its alleged trademark against use by many third-parties, and as such OY-L has abandoned any alleged rights in and to its alleged trademark.

42. As “beauty without secrets” is generic, the phrase does not serve a source-identifying function and is ineligible for registration.

43. By reason of the foregoing, Trademark Registration No. 5,429,160 should be cancelled pursuant to Lanham Act § 37 (15 U.S.C. § 1119).

PRAYER FOR RELIEF

WHEREFORE, Peach & Lily respectfully requests judgment against OY-L as follows:

1. Denying of all relief requested by OY-L;
2. Dismissing of all of OY-L’s claims in this action with prejudice;
3. Cancelling U.S. Trademark Registration No. 5,429,160;
4. Awarding Peach & Lily its reasonable costs and fees, including attorneys’ fees pursuant to Section 35(a) of the Lanham Act (15 U.S.C. § 1117(a)); and
5. Granting such other and further relief as the Court may deem proper.

Dated: March 30, 2023

Respectfully Submitted,

MCDERMOTT WILL & EMERY LLP

By: /s/ Monica S. Asher

Monica S. Asher

masher@mwe.com

Maxwell C. Preston

mpreston@mwe.com

One Vanderbilt Avenue

New York, NY 10017-3852

Phone: 212-547-5400

Fax: 212-547-5444

Robert W. Zelnick (*pro hac vice* motion to be filed)

rzelnick@mwe.com

The McDermott Building

500 North Capitol Street, NW

Washington, DC 20001-1531

Phone: 202-756-8000

Fax: 202-756-8087

Attorneys for Defendant Peach and Lily, Inc.